

## **HIGH SCHOOL CORE AREA**

### **Economics**

**Standard ECON-7:** The student will demonstrate an understanding of the national economy and economic policies in the United States.

**ECON-7.1** Compare measures of economic health, including the gross domestic product, consumer price indexes, personal income, and disposable income, rates of inflation and deflation, and unemployment rates.

**Taxonomy Level:** B 2 Understand /Conceptual Knowledge

**Previous/future knowledge:**

In third grade (3-4.6, 3-5.5) students explained how the Civil War affected South Carolina's economy and the effects of the Great Depression and the New Deal on daily life in South Carolina, including the widespread poverty and unemployment and the role of the Civilian Conservation Corps. In fourth grade (4-6.1, 4-6.6) students compared the industrial North and the agricultural South prior to the Civil War, including the specific nature of the economy of each region; and explain the impact of the Civil War on the nation, including its effects on the physical environment and on the people. In fifth grade (5-4.2, 5-4.3) students summarized the stock market crash of 1929 and the Great Depression, including economic weakness, unemployment, failed banks and businesses, and migration from rural areas and explain the immediate and lasting effect on American workers caused by innovations of the New Deal, including the Social Security Act, the Federal Deposit Insurance Corporation, and the Civilian Conservation Corps. Also in fifth grade (5-5.2) students summarized changes in the United States economy following World War II, including the expanding job market and service industry, consumerism, and new technology.

In eighth grade (8-5.1) students summarized the political, economic, and social conditions in South Carolina following the end of Reconstruction, including the agricultural depression and struggling industrial development. Also in eighth grade (8-6.2, 8-6.5) students explained the impact of World War I on South Carolina and the effects of the Great Depression and the lasting impact of New Deal programs on South Carolina, including the Rural Electrification Act, the Civilian Conservation Corps, Works Progress Administration and Public Works Administration building projects, the Social Security Act, and the Santee Cooper electricity project.

In high school (USHC-3.3) students compared economic development in different regions of the country during the early nineteenth century, including agriculture in the South, industry and finance in the North, and the development of new resources in the West. Also in high school (USHC-5.2) students summarized the factors that influenced the economic growth of the United States and its emergence as an industrial power, including the abundance of natural resources; government support and protection in the form of tariffs, labor policies, and subsidies; and the expansion of international markets associated with industrialization. Later in U.S. History (USHC 7.4, USHC-7.5) students explained the causes and effects of the stock market crash of 1929 and the Great Depression and compare the first and second New Deals as responses to the

economic bust of the Great Depression. Students in U.S. History (USHC-10.2) also summarized key economic issues in the United States since the fall of communist states, including recession, the national debt and deficits, legislation affecting organized labor and labor unions, immigration, and increases in economic disparity.

### **Future Knowledge**

While no future knowledge is required, students must have a basic understanding of macroeconomic indicators to be informed consumers, voters, and business people. Individuals with a basic understanding of basic economic variables like GDP, unemployment, inflation and others will be able to make more informed personal and professional decisions throughout their lives.

### **It is essential for students to know**

Students should be able to identify and define measures of economic health such as gross domestic product (GDP), consumer price index (CPI), personal income (PI), disposable income (DI), the inflation Rate, and the unemployment Rate. Students should understand the main variables that make up the GDP. They should also understand potential weaknesses of this measurement.

Students should be able to explain the natural rate of employment and identify what constitutes full employment. As well, students should be able to define the three main types of unemployment and understand a simple unemployment calculation. Students should also know the difference between nominal and real prices and how this relates to inflation.

Students should be able to define the business cycle and explain specific phases of the business cycle over time. Students should understand how GDP, unemployment and inflation may change as the business cycle changes.

### **It is not essential for students to know**

Students do not need to be able to compute GDP or its components measures. Students also do not need to know the difference between GDP and GNP. As well, students do not need to know how to calculate an inflation rate. It is not essential for students to understand policy issues related to unemployment, income, or inflation. As well, students do not need to know how the Federal Reserve uses monetary policy to manage interest rates or concerns over inflation.

### **Assessment guidelines:**

Appropriate assessment requires students to *compare* measures of economic health; therefore, the primary focus of assessment should be for students to *explain* key macroeconomic quantitative measurements that provide a window into the general health of the economy at a point in time. However, appropriate assessment should focus on students *understanding* of measurements like GDP, inflation, unemployment, and personal income and less on the mechanics of computation of these variables.